



PPL companies

RECEIVED

MAR 31 2014

PUBLIC SERVICE  
COMMISSION

Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602-0615

LG&E and KU Energy LLC  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Rick E. Lovekamp  
Manager - Regulatory Affairs  
T 502-627-3780  
F 502-627-3213  
rick.lovekamp@lge-ku.com

March 31, 2014

**RE: Joint Application of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company, and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities (Case No. 2010-00204)**

Dear Mr. DeRouen:

Pursuant to the Commission's Orders in the aforementioned case, LG&E and KU Energy LLC ("LKE"), Louisville Gas and Electric Company ("LG&E"), and Kentucky Utilities Company ("KU") (collectively "the Companies") hereby submit an original and four (4) copies of selected annual filings required in the above referenced matter.

The Companies are submitting the following information to the Commission:

- Annual Expenditures for Charitable Contributions and Economic Development;
- Annual Update Report on Economic Development Activities with the LG&E and KU Service Territories;
- LKE's Share of PPL Corporation Total Assets, Operating Revenues, O&M, and Number of Employees;
- LG&E's and KU's Service Quality and Reliability Reports; *and*
- Three-Year Capital Budgets for LG&E and KU

Mr. Jeff DeRouen  
March 31, 2014

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed extra copy and returning it in the enclosed self-addressed envelope. Should you require any additional information about these matters, please contact me or Don Harris at 502-627-2021.

Sincerely,

A handwritten signature in black ink that reads "Rick E. Lovekamp". The signature is written in a cursive style with a large, stylized initial "R".

Rick E. Lovekamp

**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**  
**LG&E and KU Foundation Inc.**  
**Schedule of Charitable Contributions**  
**December 31, 2013**  
**(\$ 000's)**

Submitted pursuant to the Commission's Order in Case No. 2010-00204  
*Response to Appendix C, Commitment Nos. 1, 36, and 38*

Year	LG&E	KU	Foundation
	Actual	Actual	Actual
1997	147	388	1,176
1998	135	453	1,271
1999	102	107	2,312
2000	146	52	2,295
2001	160	48	2,207
2002	64	144	2,158
2003	178	95	1,185
2004	184	157	2,158
2005	641	259	1,268
2006	1,551	605	923
2007	1,148	478	1,028
2008	1,010	428	873
2009	867	532	768
2010	1,640	716	666
2011	1,859	1,055	679
2012	2,259	1,111	762
2013	2,619	1,246	839

**Louisville Gas & Electric Company  
Kentucky Utilities Company**  
**Schedule of Economic Development Expenditures <sup>1</sup>**  
**December 31, 2013**  
**(\$ 000's)**

**Submitted pursuant to the Commission's Order in Case No. 2010-00204**  
**Response to Appendix C, Commitment Nos. 1 and 38**

Year	LG&E	KU
	Actual	Actual
1997	842	1,296
1998	571	1,111
1999	576	1,359
2000 <sup>2</sup>	681	988
2001	991	1,475
2002	996	1,451
2003	896	1,401
2004	863	1,361
2005	1,031	1,546
2006	1,130	1,698
2007	1,184	1,775
2008	1,175	1,761
2009	1,267	1,901
2010	1,286	1,930
2011	1,295	1,942
2012	1,167	1,752
2013	1,294	1,942

- Note(s):**
- 1.- Economic development includes those activities to retain existing businesses and industries, to expand existing businesses and industries, and to attract new businesses and industries.
  - 2.- In the filing for 2000, the results were inadvertently reversed and, consequently, showed \$681,000 for KU and \$988,000 for LG&E. The 2000 results were corrected with the March 2003 filing which provided data through the year-ending December 31, 2002.

**LG&E and KU Energy LLC, Louisville Gas and Electric Company, and Kentucky  
Utilities Company**

**CASE NO. 2010-00204**

**Response to Appendix C, Commitment No. 1**

During 2013, there were 211 new and expanding companies in the LG&E and KU service territories. The investment totaled \$2,584,851,835 resulting in 10,303 jobs. Announcements in the municipalities LG&E and KU serve reflected an additional 19 locations. Some of the projects which representatives were actively involved included: Brady Worldwide Corp, Jif Plant, Dorman Products, International Crankshaft, Inc., Martinrea, Toyota Motor Manufacturing, Michters, LLC, Boyd Company LLC, Structures USA, Dr. Schneider Automotive, PMC Organometallics, Inc. Second Rotation, Inc., Catalent Pharma Solutions, Tegrant Diversified Brands, Bilstein North America, Mead Westvaco, Clariant, Asahi Forge America, Toyotsu America, Inc., Custom Food Products, LLC, Lubrizol Corporation and Kentuckiana Clean Fuels.

LG&E and KU continue a long-term investment strategy to support the development of industrial land in two Kentucky communities. The company has invested \$380,140 in zero interest loans to enable these communities to weather the recession and be in position to recruit new industry as the economy continues to rebound.

LG&E and KU continuously provide marketing for properties in all communities within its service territory through the Location One Information System (LOIS). LOIS is a web-based interface with the latest dynamic reports including Google mapping technologies, 19 thematic maps, business information, local GIS custom layers and reports from 12 Economic and Social Research Institutes. Launched in June 2012, this tool allows for project customization including employers, commute times, population within radius and residents' incomes. It is the only nationwide mobile smartphone application (iPhone and Android) for site selectors.

The LG&E and KU site selection web site is continuously updated and displays new facts as a marketing tool for consultants. Sites, buildings, economic development incentives, tariffs, regional parks, announcements, expansions and more are updated on the website as changes occur. Foreign Direct Investments, Questline, Ask the Expert and press releases are available to keep our service territory professionals and site consultants current. Our web site is modified as the utility industry changes and develops.

Company representatives closely monitored key economic data and trends during 2013. LG&E and KU continued active participation in the Industrial Asset Management Council (IAMC) Forums. IAMC is a membership organization of more than 250 real estate executives. These objectives are designed to build relationships with companies, consultants and real estate developers, as well as updating them on the new and ever-changing developments within the state and with LG&E and KU. We also maintain a

board position with the Utility Economic Development Association (UEDA). This organization assists utility professionals in understanding the ever changing U.S. electric and gas business.

LG&E and KU maintained its strong leadership position in preparing communities for economic opportunities in 2013. The company worked in tandem with local, regional and statewide officials to ensure adequate electric and natural gas facilities were available to support new developments. In addition, the company continued to provide leadership to the Kentucky Association for Economic Development (KAED). KAED is the chief vehicle through which economic development professionals build skills, advocate issues and share expertise. The economic development team played an integral role in the development of training programs, the sharing of best practices and provided ideas for an enhanced public policy program to increase support for economic development throughout the commonwealth. The economic development team members serve on the board, the foundation and in key committee positions to support Kentucky's growth.

KAED's KentuckyUnited promotes Kentucky as a business destination. LG&E and KU partner in the KentuckyUnited marketing effort to attract and promote its communities to site selectors and companies interested in expanding their facilities. LG&E and KU provide leadership on the steering committee. In this effort, the company participated in missions to Massachusetts, New Jersey, New York, California and Washington D.C.

LG&E and KU's economic development team marketed Kentucky's amenities nationwide. We hosted a booth at the Medical Design Manufacturers trade show in Anaheim, CA; participated in the Area Development Consultants' Forums in Minneapolis and Chicago; attended the Southern Economic Development Consultants event in Atlanta; and assisted with the KAED consultants' events in Frankfort and Northern KY.

The Company is increasingly called upon as a resource to design and implement new programs and strategies. During 2013, LG&E and KU worked closely with the Kentucky Workforce Investment Board as it ramped up the new Work Ready Community program. This program is geared toward ensuring local communities meet standards of excellence in education, skills and technology thus improving marketability to site selection consultants as preferred destinations for business investment. We greatly increased our ability to partner with mayors, county judges and other officials as they seek to implement strategies to grow jobs and businesses through cutting edge training provided by groups such as the UEDA, KAED, IAMC, Southeastern Employment and Training Association, International Economic Development Council, Southern Economic Development Council and the National Workforce Association.

Our economic development representatives are also active in the KY Institute for Economic Development, World Trade Center KY, Bluegrass Workforce Investment Board, KYNDLE, Bluegrass Kiwanis, Louisville Airport Improvement Project, KY Higher Education Assistance Authority, Lexington Housing Authority, Madison County

**Filed Pursuant to Response to Appendix C, Commitment No. 1**  
**Annual Report of Economic Development Activities**  
**Page 3 of 3**

Strategic Plan Leadership Team, Bluegrass Tomorrow, Bluegrass Higher Education Consortium, Business and Education Network, KY Council of Economic Education, KY Chamber of Commerce, Southeast KY Economic Development Corporation, KY Workforce Investment Board, Bluegrass South, Commerce Lexington, Greater Louisville Inc., Bluegrass Alliance and many of the local industrial foundations, chambers and authorities.

**LG&E and KU Energy LLC, Louisville Gas and Electric Company, and Kentucky  
Utilities Company**

**CASE NO. 2010-00204**

**Response to Appendix C, Commitment No. 19**

The following information is LG&E and KU Energy LLC's proportionate share of selected PPL Corporation financial and operating numbers for the year-ended December 31, 2013 as stipulated in the aforementioned Commission's Order:

	<b>LG&amp;E and KU Energy LLC</b>
Total Assets	26.7%
Operating Revenues	25.1%
Operating and Maintenance Expense	27.5%
Number of Employees	18.7%

**LG&E and KU Energy LLC, Louisville Gas and Electric Company, and Kentucky  
Utilities Company**

**CASE NO. 2010-00204**

**Response to Appendix C, Commitment No. 29**

Appendix C, Commitment No. 29 specifies that the Companies submit the periodic reporting of “various reliability and service quality measurements”. However, in Administrative Case No 2006-00494, *An Investigation of the Reliability Measures of Kentucky's Jurisdictional Electric Distribution Utilities and Certain Reliability Maintenance Practices*, dated October 26, 2007, the Companies are required to file similar reports and therefore were relieved on this reporting requirement (also see Commission's Order dated July 16, 2008 for Case Nos. 2000-00095 and 2001-00104).

**LG&E and KU Energy LLC, Louisville Gas and Electric Company, and Kentucky  
Utilities Company**

**CASE NO. 2010-00204**

**Response to Appendix C, Commitment No. 1**

The filing of the current Three-Year Capital Budget information is being submitted in response to Case No. 2010-00204, Appendix C, Commitment No. 1 which stipulates that the Companies will comply with all previous merger, change of control, and holding company Orders. However, more specifically, Case No. 2000-095, Summary of Findings No. 15 requires the Companies to annually file their current 3-year capital budgets, including an explanation for any reductions in the capital budget items greater than 10 percent.

**Louisville Gas and Electric Company  
Kentucky Utilities Company  
Three-Year Capital Budgets  
[ \$ 000,000's ]**

**Submitted pursuant to the Commission's Order in Case No. 2010-00204  
Response to Appendix C, Commitment No. 1**

	2014	2015	2016	Change from Prior Report [ Increase; (Decrease) ]	
				2014	2015
<b>Louisville Gas and Electric Company -</b>					
Generation	\$ 105	\$ 122	\$ 260	\$ (6)	\$ (9)
Distribution	144	165	166	\$ 4	\$ (1)
Transmission	40	24	34	\$ 9	\$ 5
Environmental	289	312	200	\$ (47) <sup>1</sup>	\$ 64
Other	32	34	29	\$ 10	\$ 14
<b>Total</b>	<b>\$ 610</b>	<b>\$ 657</b>	<b>\$ 689</b>	<b>\$ (30)</b>	<b>\$ 72</b>
<b>Kentucky Utilities Company -</b>					
Generation	\$ 143	\$ 136	\$ 249	\$ 3	\$ 0
Distribution	79	85	84	\$ (8)	\$ (12) <sup>2</sup>
Transmission	37	40	59	\$ (0)	\$ 0
Environmental	314	206	125	\$ (72) <sup>3</sup>	\$ (58) <sup>3</sup>
Other	37	41	31	\$ 12	\$ 16
<b>Total</b>	<b>\$ 610</b>	<b>\$ 508</b>	<b>\$ 548</b>	<b>\$ (65)</b>	<b>\$ (54)</b>

**Notes**

1. Delay of the Trimble County landfill due to permitting issues and revised timeline of Mill Creek landfill expansion.
2. Timing of major substation projects.
3. Delay of the Brown and Trimble County landfills due to permitting issues and removal of Brown Units 1 and 2 environmental air projects.